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061707Z May 04

C O N F I D E N T I A L AMMAN 003485

SIPDIS

STATE ALSO FOR A/S WAYNE
NSC FOR EDSON/KIFAYAT
TREASURY FOR J. ZARATE, A. DEMOPULOS
CPA FOR OLIN WETHINGTON, JOHN VARDAMAN

E.O. 12958: DECL: 05/06/2014

TAGS: [EFIN](#) [ETTC](#) [PREL](#) [1Z](#) [JO](#)

SUBJECT: JORDAN: CLARIFICATION ON IRAQI ASSET FIGURES

REF: AMMAN 03430

Classified By: CDA DHALE for Reasons 1.5 (b) and (d).

[11.](#) (C) On May 6, 2004, Charge called alone on Jordanian Finance Minister Mohammad Abu Hammour to clarify the figures on the remaining frozen Iraqi assets he relayed in the earlier May 4 meeting (Reftel). Abu Hammour admitted to some reluctance to speaking openly in front of the Iraqis who participated, one of whom had engaged him somewhat confrontationally during that meeting. At Charge's request, Abu Hammour produced a current table on the remaining balance of the frozen Iraqi assets. Excluding the earlier transfers to the DFI and both the earlier and recent settlements of claims, the total remaining balance of these assets is JD 120 million (USD 168 million). Of this, JD 40 million (USD 56 million) is the paid-in capital for Rafidain Bank. Deducting that capital and the JD 30 million (USD 42 million) set aside to meet the maximum possible remaining valid claims under review leaves a remaining balance available for transfer to the DFI at JD 50 million (USD 70 million). Abu Hammour earlier estimated that USD 70-120 million would be available for transfer, but the higher-end of that estimate clearly included the USD 56 million in Rafidain capital, which Iraqi officials have said separately should not be transferred.

[12.](#) (C) Abu Hammour returned to the problem he faced in "covering" the USD 1.3 billion Central Bank claim on Iraq, for external auditing purposes. He asked that we help get a letter from Iraqi authorities acknowledging that the amounts were in a trade clearing account and would be resolved through negotiations at a later date.

[13.](#) (C) Neither Abu Hammour nor the Deputy Central Bank Governor, seen by Charge in an earlier meeting, could shed further light on the mechanics of what they said had been clearances by Rafidain Bank of the recent settled Jordanian commercial claims, but they maintained they had received them. They said they also had respected blocks placed by Rafidain on some payments proposed by the Jordanians, and no payments were made. In a separate meeting with Rafidain Bank officials, CPA official John Vardaman requested all communications and letters sent directly by Rafidain to the Jordanian Finance Ministry, on its own behalf or for the Central Bank of Iraq. The Bank promised to provide them on May 9.
HALE